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DD/S

58-1329

8 APR 1958

MEMORANDUM FOR: Deputy Director (Support)

SUBJECT : Quarterly report as of 31 March 1958
on Implementation of Financial Property
Accounting

REFERENCE : (a) Our memorandum to you of 13 December
1957 - Subject: Plans for Completing
Implementation of Financial Property
Accountability

(b) Your memorandum of 31 December 1957
to Comptroller and Director of Logistics-
Subject: Same

1. In accordance with paragraph 2 of reference (b) this report is submitted on the progress made toward completing the implementation of financial property accounting world-wide.

a. Implementation of FPA at Overseas Field Locations
Following Class A Accounting and Reporting Procedures:

(1) [] - Station was requested by dispatch dated 23 February 1958, to extend FPA coverage to the TSS stockpile of materiel. No reply yet received as to action being taken.

(2) [] - FPA is in effect covering [] and [] Station property. FPA at [] was made effective on 12 March 1958.

(3) [] - Dispatch to [] Station authorized the Station to defer implementation of FPA after 1 April 1958 for not more than 60 days.

(4) [] - Inspection of the [] Station by the Deputy Chief, Materiel Support Branch, Engineering Division, Office of Communications, disclosed that it would not be practicable to implement FPA at the [] Station until an increase in T/O is obtained which has been recommended to the Director of Communications.

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Contingent on the availability of the recommended increase in personnel it is believed that FPA can be implemented effective on or about 1 January 1959.

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(5) [] - Station has agreed to implement FPA effective 1 July 1958.

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(6) [] - Dispatch from station dated 7 March 1958, states that implementation will be made upon receipt of a current Consolidated Memorandum Receipt (CMR) from Headquarters. A current CMR is being dispatched for receipt by the station about 1 May 1958. In view of the foregoing the target date for implementation of FPA [] will be on or about 1 May 1958.

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(7) A simplified adaptation of the procedure prescribed in [] Financial Accounting Procedures for Property (Manual Method) for application at stations designated as Type III Accountable locations which follow Class A accounting and reporting procedures has been prepared and is currently being coordinated with the interested components of the DD/S. This procedure, when approved, will be made effective at stations listed below:

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It is currently planned to implement FPA at the above listed stations as soon as feasible after approval and issuance of the proposed revision to [] and proposed [] which establish the necessary procedures.

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b. Implementation of FPA at Overseas Field Locations Not Following Class A Accounting and Reporting Procedures:

(1) The proposed [] setting forth property procedures for Type III Accountable Stations which will be applicable at all field locations not following Class A Accounting and Reporting Procedures ([] Type III Accountable Stations) has been prepared and coordinated

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with the interested components of the DD/S. This [redacted] was transmitted to the DD/S on 3 December 1957, for approval and coordination with the Offices of DD/P, DD/I and IG; however, to date no comments have been received from the aforementioned offices.

(2) A training film has been prepared showing the implementation of the procedures set forth [redacted]. This film is to be included in a 1½ day period of training to be required for all clerical personnel being assigned to locations designated as Type III Accountable Stations.

(3) When [redacted] issued it is planned to transmit it to all Type III Accountable locations with complete instructions for implementation including the designation of specific dates as of which it should be made effective at each location. The transmittal will request advice to headquarters as to the actual date of implementation at each location and will provide that the field station may request headquarters for assistance if it is deemed necessary. Based upon requests received from field locations for assistance arrangements will be made to schedule visits by a team(s) consisting of 1 representative from Office of Logistics and 1 representative from Office of the Comptroller to assist the requesting stations.

c. Miscellaneous Property Inventory Activities

The Office of Comptroller is currently making a study to determine the feasibility of converting the [redacted] and project [redacted] to Class A Finance Locations preliminary to establishing the financial property accountability. If it is found that it is feasible to convert the method of accounting of these activities to that of a Class A station, qualified finance officers will be assigned to each activity and the regular FPA procedure as prescribed [redacted] will be implemented.

2. As indicated in reference (a) certain other tasks of importance are either in process or scheduled for early attention to provide for improved FPA within the Agency. The status of these changes as of the date of this report are stated below:

a. Establishing of Stock Revolving Accounts

The previous report indicated that the securing of "no-year" funds would permit the establishment of a revolving account

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by 1 July 1958; however, there are operating and costing factors that need to be resolved before final determination can be made as to the feasibility of establishing such an account. A task group composed of representatives of Office of Logistics and Office of the Comptroller is studying financial plans (with and without revolving funds), the problems of costing "in use" property, and inventory control. Operations in other agencies using stock funds and cost-based budgets are being reviewed. Recommendations concerning the financial and accounting for property will be submitted as soon as a practicable and economical system can be developed.

b. Revision of FPA Procedures For Costing "In Use" Property:

(1) A procedural revision to the FPA [redacted] prepared to provide for charging materiel issued to "In Use" to cost is currently being coordinated with the interested components of the DD/S; however, because of the need to develop Agency policy appropriate to the requirements of cost-based budgets under the Financial Management Improvement Program, the method for costing "In Use" property will be the subject of further detailed study. Consequently, the target date previously established in reference (a) for accomplishing this change in procedure may be advanced to sometime within the fiscal year 1959.

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c. Revision of Agency Materiel Documentation to Conform With Requirements of FPA Procedures:

Materiel documents for processing receipts, issues, adjustments, etc. have been revised to provide columns for extensions and footings for total values and spaces for transaction coding to facilitate their use in the FPA procedure. The revised forms are included in the proposed revision [redacted] now in the process of finalization in the Office of Logistics.

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[redacted]
Deputy Comptroller

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J. A. GARRISON
Director of Logistics

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